RG104 E-1 Box 122 Aug-Dec 1880

Treasury Department,

OFFICE OF THE DIRECTOR OF THE MINT,

Washington, D. C., August 3d, 1880.

Sir

Referring to your letter of the 27th ultimo in relation to the mode of entering and calculating the values of the grains from the Deposit Melting room, I have to say that I have given the subject my personal attention and after a full and careful consideration of the reasons given in your two letters on the subject, I am of the opinion that the entering of these grains on the deposit sheets, and calculating the value of the silver contained in them at $1.06 per Standard Ounce, are both incorrect. If it has been done in the past at your Mint in the manner indicated in your letter, it escaped the attention of this office, and is not the usual or proper practice.

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As they have already been entered on your deposit sheets for the present quarter, and the value determined, it will be allowed to pass, but hereafter all grains and sweeps from the deposit melting room should go direct to the credit of "Profit and loss" at the value which they will produce in coin, and Gold and Silver bullion be debited with the respective amounts of bullion contained in them. As the bullion composing these grains is an entire profit to the Government it is not proper to treat the Silver contained as a purchase and declare a seigniorage on it, the same as if received from an outside party.

Section 1. Page 16. of the regulations requires that "all profits, gains and charges x x x must be covered into the Treasury at least twice in each year." If this regulation was enforced in regard to the profit consisting of the grains

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from the deposit melting room, it certainly would not be proper in depositing them in the Treasury to calculate the value of the Silver at $1.00 per Standard Ounce, and the same would follow when the Mint is allowed to retain and use them in melting losses.

Very respectfully

R. E. Preston

Acting Director.

Hon London Snowden, Esq.
Supt U. S. Mint
Philadelphia Pa

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Washington D.C.
Aug. 3/80

R. E. Preston

Prescribing
finally, the proper
mode of accounting
for Dep. Disbursing

Rec'd Aug. 4th 1880.

NARA RG104, Entry 1, Box 122

[Abstract:] Prescribing finally the proper mode of accounting for Deposit Grains.

Treasury Department,
Office of the Director of the Mint,
Washington, D.C.,
August 3, 1880

Sir

Referring to your letter of the 27th ultimo in relation to the mode of entering and calculating the value of the grains from the Deposit Melting room, I have to say that I have given the subject my personal attention and after a full and careful consideration of the reasons given in your two letters on the subject, I am of the opinion that the entering of these grains on the deposit sheets, and calculating the value of the silver contained in them at $1.00 per Standard ounce, are both incorrect. If it has been done in the past at your Mint in the manner indicated in your letter, it escaped the attention of this office, and is not the usual or proper practice. As they have already been entered on your deposit sheets for the present quarter, and the value determined, it will be allowed to pass, but hereafter all grains and sweeps from the deposit melting room should go direct to the credit of "Profit and Loss" at the value which they will produce in coin, and Gold and Silver bullion be debited with the respective amounts of bullion contained in them. As the bullion composing these grains is an entire profit to the Government it is not proper to treat the Silver contained as a purchase and declare a seigniorage on it, the same as if received from an outside party.

Section 1. Page 16. of the regulations requires that "all profits, gains and charges xxx must be covered into the Treasury at least, twice in each year". If this regulation was enforced in regard to the profit consisting of the grains from the Deposit melting room, it certainly would not be proper in depositing them in the Treasury to calculate the value of the Silver at $1.00 per Standard ounce, and the same would follow where the Mint is allowed to retain and use them in meeting losses.

Very respectfully,
R.E. Preston
Acting Director.

A. Loudon Snowden, Esq.
Supt. U.S. Mint
Philadelphia, Pa